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U.S.-China Pact On Nuclear Aid Said to Be Near

Longstanding Obstacles Are Reported Solved

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WASHINGTON, July 20 — President Reagan was formally asked by the State Department and the Energy Department today to approve a pending nuclear cooperation agreement with China, Administration officials said.

They said if Mr. Reagan gave his assent as expected, the long-delayed accord would be announced during the visit to Washington next week of President Li Xiannian of China.

The recommendations were signed by Energy Secretary John S. Herrington and Deputy Secretary of State John C. Whitehead. They were sent to the White House this morning, along with a statement by Kenneth L. Adelman, director of the Arms Control and Disarmament Agency, affirming that the agreement was consistent with the American policy opposed to the spread of nuclear weapons. Under American law, these recommendations must be made to the President before he can sign the agreement.

Reagan Returns to White House

Mr. Reagan returned to the White House today after eight days at Bethesda Naval Hospital and is expected to approve the nuclear accord in the next few days, his aides said. The agreement is limited to a general outline for the peaceful uses of nuclear energy, and affirms both sides' opposition to the spread of nuclear weapons.

The conclusion of the accord followed two weeks of intensive interagency meetings aimed at getting it signed during the Li visit and putting an end to an awkward situation that arose after the two sides initialed the accord 15 months ago. The signing was delayed when Washington found intelligence information that made it impossible to go forward with the pact last year.

Shultz Not Involved in Decision

Questions were raised about a group of Chinese nuclear specialists who had been seen at a nuclear plant in Pakistan, where American intelligence officials believe work on a nuclear device has been taking place. The Chinese are now thought to have left Pakistan and

new statements have been made by China about its intention not to help other nations develop nuclear weapons.

Secretary of State George P. Shultz had removed himself from consideration of the agreement because his former company, the Bechtel Corporation, could benefit from the provisions in the agreement that open the way for American companies to bid on a multi-billion dollar network of atomic power stations, an official said.

A senior Administration official said the United States was attaching considerable "symbolic importance" to Mr. Li's visit.

In addition to the nuclear cooperation accord that affirms that China is committed to a policy against spreading nuclear weapons to other states — even though it is not formally a signatory to the 1970 nonproliferation treaty — several other accords will be signed during the Li visit, the official said.

He said there would be new agreements on cultural relations, education and fisheries, and there would be extensive discussions on the whole range of international and two-way issues. Mr. Li is bringing a large delegation.

Mr. Li's trip began last week in Canada, and he is to enter the United States on Sunday across the Rainbow Bridge at Niagara Falls. The Chinese delegation then flies to Washington on Monday morning.

Reagan's Role Still Not Clear

Mr. Li is to be greeted by President Reagan on Tuesday morning at the White House and is to be the guest of honor at a state dinner in his honor that night. The extent of Mr. Reagan's participation will depend on what his doctors advise and on his own inclination, officials said.

The nuclear cooperation agreement was initiated in Peking in April 1984 during Mr. Reagan's visit. Richard T. Kennedy, the State Department's Ambassador-at-Large on nuclear nonproliferation matters, initialed the text while Mr. Reagan watched. The accord was expected to be routinely processed in Washington and given final signature and sent to Congress in a matter of weeks.

But final agreement was indefinitely delayed by receipt of intelligence information that raised questions about China's intentions. The Chinese Prime Minister, Zhao Ziyang, had stated publicly that China does not favor proliferation of weapons and does not help others to develop nuclear weapons.

The intelligence data, however, suggested that Chinese experts had been helping the Pakistanis develop nuclear weapons at Kahuta, near Islamabad, where they have a uranium enrichment plant.

Administration officials said on Friday that the Chinese specialists, whose activities in Kahuta were never confirmed by the Chinese, appear to have been withdrawn.

No Strong Opposition Seen

The Chinese, in addition, have made additional statements affirming a non-proliferation policy. Li Peng, a Deputy Prime Minister, who will accompany Mr. Li here, said earlier this year that China does not and will not engage in proliferation.

Mr. Kennedy has been quietly briefing those members of Congress who were dubious about the cooperation agreement. Congressional aides said today that they did not see any significant opposition on Capitol Hill.

Among the foreign policy issues to be raised during Mr. Li's visit here is the improvement in Soviet-Chinese relations, marked by a recent accord on increasing trade. Chinese officials have been assuring Americans that they do not expect any dramatic improvement in Soviet relations outside of the economic sphere.

On Thursday, Mr. Li is scheduled to fly to Chicago, where on Friday he will inaugurate a new Chinese Consulate General. An American Consulate in Sichuan, in southwestern China, will be opened later this year.

Mr. Li will visit Los Angeles and tour Disneyland before departing on July 29 for Hawaii. He returns to China on July 31.